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## SENATE BILL No. 140

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 21-6.1-2.

**Synopsis:** TRF fund membership and contributions. Requires the board of trustees of the teachers' retirement fund (TRF) to assign certain members to TRF's pre-1996 and 1996 accounts. Specifies the member and employer contributions the TRF board must credit to the pre-1996 and the 1996 accounts. Requires participants in the pre-1996 account who, after June 30, 1995, were hired by another school corporation or institution covered by TRF (or rehired by a prior employer) to become participants in the 1996 account, but provides that: (1) the member's contributions to the pre-1996 annuity savings account; (2) employer contributions, if any, to the pre-1996 retirement allowance account; and (3) liability for employer contributions based on service credit earned; before the member was hired by another school corporation or institution covered by TRF (or rehired by a prior employer) remain in the pre-1996 account.

**Effective:** July 1, 2003.

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January 7, 2003, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## SENATE BILL No. 140

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 21-6.1-2-1.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) The board shall assign to**  
4 **the pre-1996 account described in section 2(a)(1) of this chapter**  
5 **fund members who were first hired before July 1, 1995, by a school**  
6 **corporation or other institution covered by the fund.**

7       **(b) The board shall assign the following fund members to the**  
8 **1996 account described in section 2(a)(2) of this chapter:**

9       **(1) A member who was first hired after June 30, 1995, by a**  
10 **school corporation or other institution covered by the fund.**

11       **(2) A member who:**

12       **(A) before July 1, 1995, served in a position covered by the**  
13 **fund; and**

14       **(B) after June 30, 1995, was hired by another school**  
15 **corporation or institution covered by the fund or rehired**  
16 **by a prior employer.**

17       SECTION 2. IC 21-6.1-2-2, AS AMENDED BY P.L.291-2001,



SECTION 126, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The board shall segregate the  
fund into the following accounts:

(1) The pre-1996 account.

(2) The 1996 account.

(b) The board shall segregate each of the accounts established under  
subsection (a) into the following subaccounts:

(1) The annuity savings account.

(2) The retirement allowance account.

(c) Except as provided in subsection (d), member contributions shall  
be credited to the annuity savings accounts within the pre-1996  
account.

(d) Member contributions made after June 30, 1995, with respect to  
the following members shall be credited to the annuity savings account  
within the 1996 account:

(1) A member who was hired after June 30, 1995, by a school  
corporation or other institution covered by the fund.

(2) A member who:

(A) before July 1, 1995, served in a position covered by the  
fund; and

(B) after June 30, 1995, and before July 1, 2001, was hired by  
another school corporation or institution covered by the fund  
or rehired by a prior employer.

(3) A member described in subdivision (2) who, after June 30,  
2001, is hired by another school corporation or institution covered  
by the fund or rehired by a prior employer.

(e) Member contributions made to the pre-1996 account with  
respect to a member covered by subsection (d) shall be transferred to  
the annuity savings account within the 1996 account.

(f) Employer contributions made after June 30, 1995, with respect  
to members described in subsection (d) shall be credited to the  
retirement allowance account within the 1996 account. Employer  
contributions made after June 30, 1995, with respect to all other  
members shall be credited to the retirement allowance account within  
the pre-1996 account.

(g) Employer contributions, if any (as determined by the board),  
made to the pre-1996 account with respect to a member covered by  
subsection (d) shall be transferred to the retirement allowance account  
within the 1996 account.

(c) The board shall credit member contributions to the annuity  
savings accounts within the pre-1996 account as follows:

(1) Contributions of members assigned to the pre-1996



1 account under section 1.5(a) of this chapter.

2 (2) Contributions made by members assigned to the 1996  
3 account under section 1.5(b)(2) before the date, after June 30,  
4 1995, on which the member was hired by another school  
5 corporation or institution covered by the fund or rehired by  
6 a prior employer.

7 (d) The board shall credit member contributions of members  
8 assigned to the 1996 account under section 1.5(b) of this chapter to  
9 the annuity savings accounts within the 1996 account, except for  
10 contributions made by members that are credited to the annuity  
11 savings accounts within the pre-1996 account under subsection  
12 (c)(2).

13 (e) The board shall credit employer contributions to the  
14 retirement allowance account within the pre-1996 account as  
15 follows:

16 (1) Contributions made for members assigned to the pre-1996  
17 account under section 1.5(a) of this chapter.

18 (2) Contributions made for members assigned to the 1996  
19 account under section 1.5(b)(2) of this chapter before the date,  
20 after June 30, 1995, on which the member was hired by  
21 another school corporation or institution covered by the fund  
22 or rehired by a prior employer.

23 (f) The board shall credit employer contributions made for  
24 members assigned to the 1996 account under section 1.5(b) of this  
25 chapter to the retirement allowance account within the 1996  
26 account, except for contributions made for members that are  
27 credited to the retirement allowance account within the pre-1996  
28 account under subsection (e)(2).

29 ~~(h)~~ (g) The board shall administer these accounts and subaccounts  
30 as specified in IC 5-10.2-2.

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